APPENDIX I

[Vide answer to Starred Question No. 324 on page 14.]

STATEMENT.

Steps taken by Government to reduce the price of yarn supplied to weavers.

The increase in the prices and scarcity of certain counts of yarn is a problem which has been facing the handloom industry for sometime past. The Government of India after considering all the aspects of the problem, have referred the question of devising a formula for fixing the fair ex-mill and retail prices of yarn to the Tariff Commission. The Commission has not yet made its report. The State Government have been watching the situation and have been taking all possible steps to ensure the supply of yarn to the weavers at reasonable prices. Conferences of mill-owners and handloom interests have been convened from time to time to discuss the problem and to resolve the difficulties. The last conference was held on 30th April 1962 at Coimbatore and the following decisions have been taken :—

(1) The present voluntary distribution of cotton yarn of counts 40s and below would continue to be implemented at the regulated prices fixed by the Indian Cotton Mills' Federation.

(2) The voluntary distribution scheme will henceforth be extended for cotton yarn of counts 60s and above also.

(3) Pending publication of the report of the Tariff Commission on cotton and textile prices, it is not possible to regulate the prices for counts 60s and above. However, such counts will be supplied to the co-operative sector at the ex-mill rates prevailing from time to time for the particular mills and to the recognised associations outside the co-operative fold at one per cent above such rates.

(4) The indents from the State Society and the recognised associations outside the co-operative sector will be revised on the basis of the past consumption and furnished to the Southern India Mill Owners' Association for arranging the supplies of yarn through their member-mills.

(5) Yarn will be supplied under this scheme to the recognised associations outside the co-operative sector only on the basis of certificate of essentiality to be issued by the Director of Handlooms.

(6) Each association or society may express the order of preference of mills from which it desires to get particular counts of cotton yarn, and such preference shall be met by the Southern India Mill Owners' Association to the extent possible. At the same time no society or association should normally refuse to take delivery of the quota allotted to it.

The Director of Handlooms is taking steps to ensure that the decisions are implemented.